

MEETING SUMMARY NOTES

Cost Savings and Efficiency Work Group

February 4, 2003

4:00 p.m., Room 113, County-City Building

MEMBERS: Present - Russ Bayer Jennifer Brinkman, Mark Brohman, Carol Brown, Jon Carlson, Duane Eitel, Mark Hunzeker, Rick Krueger, Melinda Pearson, Jerry Schleich, Greg Wood, Patte Newman, Allan Abbot (non-voting)

Absent - Brian Carstens, Duane Hartman, Greg MacLean, Roger Reynolds,

OTHERS: Kent Morgan, Karen Jensen, Randy Hoskins, Steve Masters, Marvin Krout, Nick McElvain, Roger Figard

AGENDA ITEMS DISCUSSION:

Welcome

Russ Bayer called the meeting to order at 4:10 p.m.

Mr. Bayer thanked the members for participating in the Open House last week. He stated that the Open House was successful.

Mr. Bayer then asked if there were any public comments; there were none.

Mr. Bayer pointed the group's attention to the handout in front of them. The handout indicated the rankings and status of the discussion issues. Mr. Bayer suggested that the group first discuss those issues which met the original ranking criteria and then discuss the remaining issues, time permitting.

Ms. Jensen asked to review the comments from the Open House last week. The comments were as follows: "Ensure that planned projects are designed to minimize disruptions in commercial venture's customer flows. A number of small businesses have been ruined by long term key arterial (e.g. 'O' Street) construction projects."

Ms. Brown suggested that this should be passed along to the Planning Department. General consensus was reached that this should be forwarded to the Planning Department for their consideration.

Ms. Jensen questioned the group as to how they wanted to proceed with the discussion of the remaining highest ranking items. Ms. Jensen noted that some of the Infrastructure Elements pertain to engineering standards. Mr. Wood stated that some of these issues deal with materials and complex engineering sciences, and he didn't feel they would be worth discussing.

The group began discussion with item A) under Infrastructure, as follows: Review policies governing the size of major water distribution mains within the urban areas.

Mr. McElvain stated that we spend large amounts of money to have engineers run hydraulic models, thus questioning how that process can be second-guessed. Mr. Figard commented that if you run through the calculations and the national standard says that you have to have a certain pressure for health reasons and a certain flow for fire, you have to follow that standard. Ms. Pearson asked how you determine the size of the main. Mr. McElvain stated that we are now sizing mains for 40 years worth of growth. Ms. Pearson asked why we are sizing for 40 years and not 60 or 80. Mr. McElvain replied that we don't know which direction we are going to grow. Mr. Abbott stated that most of the cost is in the installation, so you can increase the size of the main for a minimal increase. Mr. Hunzeker suggested that the group not advance this issue as well as item C) under Infrastructure, as follows: Review policies governing the size of major wastewater collection mains serving the urban area. All members in attendance agreed with that suggestion.

The group then decided to discuss issue K) under Infrastructure, as follows: Review assumptions used in programming future traffic and pedestrian signals along new arterial streets in urban growth areas.

Mr. Krueger stated that he had driven the streets of Lincoln and had previously brought forward a map with the existing conditions. He asserted that the city's design criteria that was used to develop the street infrastructure dollar costs was in excess of what we presently are operating with. Primarily it had to do with the number of street light intersections that are included in the mile. He also asserted that the sewer and water costs that are part of the right-of-way acquisition should be funded out of sewer and water funds, and not street construction funds. He continued by stating that there is something like a \$200,000+ swing per mile that is in the design standard that is in excess of what is on the streets of Lincoln. Mr. Abbott commented that it is not a standard, rather it is a cost estimate. He stated that when we came up with the cost estimate, we assumed that we would have an average of three signals per mile. He continued by stating that we would not put signals in if they were not warranted, and that we would delay the installation of the signals until they were needed, thus deferring the costs. Mr. Bayer noted that the assumption was 1/4, plus 1, plus 1, plus 1, plus 1/4, so if we changed that assumption, we could reduce the gap.

Mr. Figard stated that we assumed the "worst case scenario". He continued by asking if it was more of a phasing question. Mr. Bayer questioned using the "worst case scenario," which gives us the largest possible gap, so we can convince the public that we need impact fees. Mr. Figard clarified his use of "worst case scenario" in that what he meant was if we provided the resource

and built it, we wanted to make sure that we were the most conservative in the number, so somebody wouldn't come back and say that we didn't have enough money. Mr. Bayer questioned if we could have created a more moderate scenario. Mr. Abbott stated that we came up with the cost that we were going to need for the roadway when the Comp Plan was developed. He added that we can argue that it inflated the gap. Mr. Bayer stated that his point was that he understood that this was based on history, but then he heard that we are basing this on a more conservative scenario. Mr. Abbott stated that if you look at the places where we have requests to put signals, we say 'no' to signals more often than we say 'yes'. He stated that when we went through this process, we said we wanted to allow a maximum of 3 signals per mile. Mr. Bayer stated that historically we don't have 3.5 per mile, instead we have 1.5 or 2. He then asked if we can take these cost estimates and be less conservative, less historically based, and more based on new safety standards, and cause these numbers to go down. Mr. Abbott responded by stating that for the first 12 years, yes, but overall, no.

Mr. Wood stated that this discussion doesn't have anything to do with making things more efficient as this is what they used to make their estimates, and it doesn't say that they are going to put these signals in. He stated that design standards dictate where these signals will be placed. Ms. Brown cited her neighborhood on 21st and Superior as an example and stated that they need all the signals there and could actually use more signals. Mr. Wood stated that you have a trade-off in that every time you have a signal, you decrease the capacity of the roadway, but improving the ability of the pedestrians to cross the street. Mr. Hunzeker agreed with Mr. Wood, but pointed out the issue of cost, and stated that it seems that regardless of design standards, it is apparent that the assumptions that have been used to arrive at the gap have been over-estimated. He continued by stating that the cost numbers for a mile of roadway have been over-estimated in creating the number that we need to provide the services, thus having a gap number that is larger than necessary. By removing those assumptions, we will advance our agenda, which is to reduce the gap.

Mr. Bayer offered a suggestion that we ask staff to review this and see if the assumptions could be changed. In response, Mr. Abbott stated that these assumptions are valid. He stated that the assumptions were made that said this is the ultimate facility that is needed in these areas for arterial streets. Traffic signals are driven by development and will be at the 1/4 mile point because typically commercial enterprises are located at the intersections of arterials. The one that may be an invalid assumption is the one in the middle because usually that is serving the residential areas, which is what Ms. Brown is referring to. He added that you have to have traffic signals for the commercial areas being built at the intersection. Mr. Abbott stated that we could possibly eliminate one traffic signal per mile. He summarized that he does not think the assumptions are the problem, and the question becomes what can we do in the first 12 years.

Mr. Carlson stated that what you are saying is to take out the half-mile, and asked what would happen to the people trying to exit. Mr. Abbott responded that it would be added in the 14th - 15th year when traffic warrants it. Mr. Carlson stated that he didn't understand the discussion of the staff inflating the gap and that there are assumptions that are plan-driven and some that are policy-driven. Mr. Bayer stated that he was questioning the assumptions as they do not seem to

be based on design standards, the plan, or history. Mr. Abbott stated that we placed a proposal for building the ultimate facility on the table that everyone knows we can't afford. He complimented the group for their work on how to modify that proposal and stated that it is reasonable to reduce the number of lights per mile.

Ms. Jensen asked the group if there was something they wanted to suggest in regard to the traffic lights. Mr. Krueger stated that our current life does not support the assumptions and suggested wording, such as, "to change the assumptions to reflect where the community is today on traffic signalization". Ms. Brown asked Mr. Abbott how much is the standard for signals driven by community request. Mr. Abbott stated that there are 11 warrants to go through for traffic signals. Mr. Hoskins stated that the way that we develop this is if you look at the older developed areas, typically you have a street in every block. If you look at the newer developments, we are limiting access more, and it puts more vehicles at each of these outlets. So what we're looking at in the future is having only 4 outlets on the street at the 1/4 mile points, so chances are that you end up with more signals.

Mr. Krueger reiterated that he believes that the concept for the future is overstated. Mr. Schleich stated that he is comfortable with staff's assumptions and that we are not going to close that distance between actuality and the gap. He added that it seems that we are discussing something that is not that important in the big picture.

Mr. Hunzeker stated that it seems that nobody is listening to what the other person is saying. The engineers are saying that we made assumptions based on what it is going to cost to build the ultimate facility, and it is hard to be critical of that estimate. But others are concerned about what those numbers were used to produce, which is a gap that is 'this big' over a space of time that is compressed artificially, and the two really aren't related to one another. He continued by stating that the ultimate facility estimated cost may be accurate over some period in time, but it isn't accurate over 12 years, so maybe the issue relates to phasing and not overstating or understating cost estimates. He stated that Mr. Abbott acknowledged the fact that they laid a proposal on the table for the ultimate facility which is not feasible, and it is not an estimate of cost. Mr. Hunzeker added that the gap is artificially high for that reason and stated that this discussion about the traffic lights is a microcosm of the whole picture. Mr. Abbott stated that he agreed with Mr. Hunzeker in that by the discussion of phasing, we have reduced the gap. But there is still a gap, so then we need to look at which roads we are going to defer.

Mr. Hunzker commented that nowhere in Lincoln have we built to the standard of 3.5 traffic signals per mile or dual left turn lanes at 3 intersections between major intersections. He stated that we don't have all these things that are built into the assumptions and those are reality tests as to the cost numbers. Mr. Abbott responded by stating that the fact that we haven't done something in the past doesn't mean that we shouldn't be doing it in the future. Mr. Eitel stated that there is some danger in looking at the existing areas and projecting that into the future. He also agreed with Mr. Abbott in that just because we have always done something one way doesn't mean that it has been done correctly.

Mr. Eitel questioned that he thought we were only focusing on the cinnamon areas, in which we were looking at phasing and not building 3 signals per mile. Mr. Abbott responded that the use of the cinnamon colored areas for analysis purposes was a request of the Finance Work Group. The Finance Work Group asked what it is going to take to provide what is needed to have the development occur within the cinnamon colored areas within a 12-15 year time frame. We assumed that in 15 years, it would be prudent to build what was needed in the cinnamon colored areas to also accompany what was going to happen in the red areas, as the red colored area would be developed 12-15 years after that. Mr. Abbott continued by stating that the reality is that we are not going to be able to afford full build-out of the planned area, but we will need the four lanes on the arterials within a 20 year period. He added that because of cost, the question became how do we stage it, which will defer some of the cost.

Mr. Bayer asked staff if they could come up with new costs based on assumptions they could live with. Mr. Abbott agreed that they would come up with new cost estimates and assumptions for traffic signals as well as retaining walls, manholes and service, water line adjustments, and hydrants. Mr. Hunzeker questioned why he didn't hear about elimination of dual lefts. Mr. Abbott stated that they wouldn't be built in the first 12 years. Mr. Figard stated that maybe we are being asked to decide in the next 12 years, do we have to serve that area. He said they are willing to look at the costs again, but it would require some assumptions, and that it would be a huge amount of work because we have to take each one of those projects and re-analyze them.

Ms. Jensen stated that we are maybe not hearing each other and suggested that we should get the minutes done as soon as possible, so that everyone can review the discussion in writing.

Mr. Carlson asked Mr. Hoskins if we reduce the traffic signals, what would the impact be on travel time. Mr. Hoskins stated that if you have more access points, it is less likely that you are going to need a signal; however, the more access points you have, the more interruptions to traffic flow you have up and down the street, so either way, you create friction in the traffic stream. Mr. Figard stated that the more access points you have, the more often you won't meet the criteria for signals. But as people want out and have to wait, typically their frustration goes up and they will request more signals. Mr. Wood stated that every time you add an access point, you increase the potential for an accident.

Ms. Brown commented that she was on the transportation task force and they had developed standards for the Comp Plan, and now this community group is going to disavow everything that they had planned in regard to roads.

Ms. Jensen thanked the group for their discussion and then closed the discussion of this topic until the minutes could be reviewed prior to the next meeting.

Mr. Bayer suggested discussion of item B) under System and Processes, as follows: Use "indefinite delivery" contract approach when letting infrastructure projects".

The group clarified that this is in reference to construction. Mr. Eitel stated that we have talked

a lot about what that does to competition between design firms and construction companies. He continued by stating that usually you don't just have blanket approval to do any type of work, but it used more for small projects, and eliminates the letting process. He noted that in the design aspect, normally you negotiate some costs. Mr. Schleich stated that he would support this concept as they do that all the time, and do it successfully. Mr. Eitel stated that in the design area, it works very well. Mr. McElvain stated that for construction projects for the city, there is a price limit of \$25,000, because of the state bidding requirement. So there are some legal issues on the construction side, whereas professional services are different.

Mr. Bayer asked if this saves time and money. Ms. Pearson stated that the University hires 4 indefinite delivery contractors and they interview them ahead of time, so when a project comes up, they go to the next in line. She added that she believes it is advantageous so you don't have to go through that process continually, thereby saving time and money. Ms. Pearson suggested wording for a recommendation, as such "review indefinite delivery contracts for professional services and construction projects; consider multiple firms." Ms. Brown asked if they get a price quote at the time of the interview. Ms. Pearson stated that on construction, a lot of times you get a unit cost.

Mr. Abbott stated that as far as professional contracts, he had met with the ACEC in Nebraska and discussed this topic. He stated that he didn't think there would be a problem with this as long as we pick three or four consultants and do it every year, thus spreading the work out. He reiterated what Mr. McElvain had said by stating that with the city, we have to take bids on construction projects.

Mr. Brohman questioned how this would affect the small firms. Ms. Pearson responded that the University or city will get a couple big firms and a couple small firms and use them as the project warrants. Mr. Eitel stated that we shouldn't get to the point where we have a bunch of indefinite contracts and put someone out of business. He added that it wouldn't work for every contract. General consensus was reached to forward the proposed wording by Ms. Pearson.

The next meeting will be Tuesday, February 11, 2003 from 4:00 p.m.-6:00 p.m.

Mr. Bayer closed the meeting at 5:45 p.m.

*I:\MIFC\cost savings work group\Mtg_Sum_Notes.Efficiency_WG_Feb_4_2003.wpd
February 12, 2003 (11:53am)*